



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

**Frank J. Magill,
Acting United States Attorney**

David Anderson, Public Affairs Specialist
(612) 664-5684; cell: (612) 730-2251

News Release

FOR IMMEDIATE RELEASE
Friday, March 28, 2008

Burnsville man pleads guilty to securities fraud

A 55-year-old Burnsville man, who represented himself as the president of EPCOM Wireless Corp., pleaded guilty today in federal court in connection with a scheme to defraud more than 250 people of more than \$1 million by inducing them to invest in false securities and investments.

Eldon Phillip Anderson pleaded guilty before United States District Court Judge Richard Kyle in St. Paul to one count of securities fraud. Anderson was indicted Nov. 9, 2007, for both securities and mail fraud.

According to the plea agreement, Anderson represented that EPCOM was a venture involving the development of a wireless telecommunications network in rural areas of Minnesota and the upper Midwest. Anderson claimed that the venture was nearing and would provide a substantial return on the investors' investments. Anderson was also involved in a water filtration business known as Pure Sense Filtration.

From 2000 through October 2007, Anderson fraudulently offered for sale unregistered securities for EPCOM and Pure Sense Filtration to people in Minnesota, Iowa, and North Dakota. However, Anderson had not registered the securities with either state. Anderson offered and sold the securities without obtaining the required licenses and diverted most of the investors' funds to his own use and benefit. In all, Anderson defrauded more than 250 investors of more than \$1 million.

On March 23, 2000, and then again on Oct. 6, 2006, the Minnesota Department of Commerce issued consent cease and desist orders with Anderson and EPCOM. On Jan. 20, 2003, the North Dakota Department of Securities also issued a cease and desist order against Anderson and EPCOM. These orders prohibited Anderson and EPCOM from offering or selling any unregistered securities without a license. Anderson violated the terms of these orders by continuing to sell securities, and concealed the existence of these orders from potential investors.

If convicted, Anderson faces a potential maximum penalty of 20 years in prison and a \$1

million fine, or twice the gross gain or loss from the offense. All sentences are determined by a federal district court judge. This case is the result of an investigation by the United States Postal Inspection Service and the Burnsville Police Department, and is being prosecuted by Assistant U.S. Attorney John R. Marti.